

SOUND TRANSIT

MOTION NO. M2004-59

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract with Obayashi Corporation for the construction of the Beacon Hill Tunnel, the Beacon Hill Tunnel Station, the aerial guideway along McClellan Street, and the aerial McClellan Station in the amount of \$279,964,375, plus a contract contingency of \$20,000,000 for a total authorized contract amount not to exceed \$299,964,375, which includes reimbursement to Sound Transit by third-parties for betterments in the amount of \$215,066.

Background:

This contract includes the civil facilities construction for the Beacon Hill Tunnel, the Beacon Hill Tunnel Station, aerial guideways, and the aerial McClellan Station, including:

- a short section of aerial guideway between Airport Way South and the west tunnel portal, including a crossing beneath Interstate 5;
- approximately one mile of twin-bore tunnels, including tunnel portals;
- a deep, mined, binocular tunnel station with platform, concourse, cross-passage and ventilation tunnels; station access and ventilation shafts; a station headhouse providing station access; and a plaza;
- approximately one-half mile of aerial guideway between the east portal and Martin Luther King Jr. Way South, including the aerial McClellan Station; and
- trackwork; utilities; architectural features; mechanical and electrical equipment, including emergency ventilation fans and fire protection systems; high-speed elevators; and landscaping.

Combined, contingency allowances included in the base contract and the proposed contract contingency yield a total contingency amount equal to approximately 14% of the base contract work. Due to the engineering complexities and safety considerations associated with the tunnel construction, the C710 contract provides for a range of options for the contractor to respond to unforeseen conditions in a timely manner. Cost allowances for these measures are included in the base contract amount. In light of the current steel price volatility, the contract also includes an allowance to address potential steel price increases. These allowances, with a combined value of approximately \$18 million, represent a form of contingency.

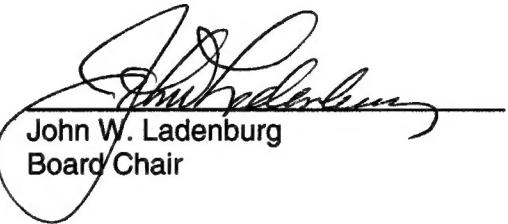
The C710 contract includes the following betterment work to be paid by third parties: (a) Seattle City Light (SCL) reimbursements to Sound Transit in the amount of \$127,831 for betterments to the SCL 26 kV electrical distribution system at the West Portal; and (b) City of Seattle reimbursements to Sound Transit in the amount of \$87,235 for paving South Hanford Avenue and 27th Avenue South.

The approved schedule for the Central Link Light Rail Initial Segment assumes the start of construction for this segment in June of 2004. All required environmental compliance to support the Board's approval of this contract has been completed.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract with Obayashi Corporation for the construction of the Beacon Hill Tunnel, the Beacon Hill Tunnel Station, the aerial guideway along McClellan Street, and the aerial McClellan Station in the amount of \$279,964,375, plus a contract contingency of \$20,000,000 for a total authorized contract amount not to exceed \$299,964,375, which includes reimbursement to Sound Transit by third-parties for betterments in the amount of \$215,066.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 10, 2004.


John W. Ladenburg
Board Chair

ATTEST:

Marcia Walker
Marcia Walker
Board Administrator